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background notes

Chile

United States Department of State
Bureau of Public Affairs

November 1990

Official Name: Republic of Chile

PROFILE

Geography

Area: 756,945 sq. km. (302,778 sq. mi.); Nearly twice the size of California. **Cities**: *Capital*—Santiago (1989 metropolitan area pop. 5.1 million). *Other cities* (metropolitan areas, 1989)—Vina del Mar-Valparaiso (591,081), Concepcion-Talcahuano (547,223), Temuco (220,000), Antofagasta (214,526). **Terrain**: Desert in north; fertile central valley; volcanoes and lakes toward the south, giving way to fjords, inlets, twisting peninsulas, and islands; Andes Mountains on the eastern border. **Climate**: desert in north, Mediterranean in center, cool and damp in south.

People

Nationality: *Noun and adjective*—Chilean(s). **Population** (1989): 12.9 million. **Annual growth rate**: 1.7%. **Ethnic groups**: Spanish-Indian (mestizo), European, Indian. **Religions**: Roman Catholic, 89%; Protestant 11% , small Jewish population. **Language**: Spanish. **Education**: *Years compulsory*—8. *Attendance*—2,976,011 (1986). *Literacy*—94%. **Health** (1986): *Infant mortality rate*—18/1,000. *Life expectancy*—71.9 yrs. **Work force**—4,674,600 (December 1989): *agriculture, forestry, and fishing*—19.3%; *industry and commerce*—34.1%; *services* (including government)—30.3%; *mining*—2.3%; *construction*—6.7%.

Government

Type: Republic. **Independence**: September 18, 1810. **Constitution**: Became effective in 1981, finalized and approved in a national referendum in 1980, universally known as the Constitution of 1980.

Branches: *Executive*—president. *Legislative*—bicameral legislature. *Judicial*—Supreme Court, courts of appeal, military courts.

Administrative subdivisions: 12 numbered regions, plus Santiago metropolitan region, administered by intendants, regions are divided into provinces, administered by governors, and provinces into municipalities, administered by mayors.

Political parties: Major parties include the Christian Democratic Party; the National Renewal Party; the Socialist Party; Party for Democracy; Radical Party, Independent Democratic Union. The Communist Party was proscribed by law under the previous military regime, but initiated proceedings to register as a legal party after the new government assumed power in March 1990.

Suffrage: Everyone 18 and over, including foreigners who have been legally residing for more than 5 years.

Central government budget (1989): $6.5 billion. **Defense expenditures** (1989): $800 million or 3.2% of GDP. **Flag**: Divided in half horizontally—the upper left third blue with a white star; upper right two-thirds white; lower half red.

Economy

GDP (1989): $25.5 billion. **Annual real growth rate** (1989): 10%. **Per capita GDP** (1989): $1,979. **Avg. inflation rate** (1989): 21.4%

Natural resources: Copper, timber, fish, iron ore, nitrates, precious metals, and molybdenum.

Agriculture and Fisheries (10% of GDP): *Products*—wheat, potatoes, corn, sugar beets, onions, beans, fruits, livestock. *Arable land*—6.6%. *Cultivated land*—2.5%.

Industry (21% of GDP): *Types*—textiles, metal manufacturing, food processing, fish processing, pulp, paper, and wood products.

Trade (1989): *Exports*—(f.o.b.) $8.1 billion: copper, molybdenum, iron ore, fishmeal, fruits, forestry products. *Major markets*—US 17.8%, Japan 13.7%, Germany 11.2%, Brazil 6.4%. *Imports*—(c.i.f.) $7.1 billion: petroleum, machinery, vehicles, electronic equipment, consumer durables. *Major suppliers*—US 20%, Japan 10.9%, Brazil 10.4%, Argentina 5%, FRG 7.2%.

Fiscal year: Calendar year.

Official exchange rate: adjusted daily according to inflation.

Economic aid received (grants and loans, 1949-87): *Total*—$3.5 billion, of which only a small amount was for disaster relief and surplus food in recent years.

Membership in International Organizations

UN and several of its specialized and related agencies, Organization of American States (OAS), Organization of Copper Exporting Countries (CIPEC), Group of 77, Latin American Integration Association (ALADI), Economic System for Latin America (SELA).

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S1.123:

Chile
International boundary
National capital
Railroad
Road
International airport
Pacific Ocean
Atlantic Ocean
Peru
Bolivia
Brazil
Paraguay
Argentina
Uruguay
Isla Sala y Gómez
Easter Island
Isla de Pascua
BOUNDARY REPRESENTATION IS NOT NECESSARILY AUTHORITATIVE
FALKLAND ISLANDS (ISLAS MALVINAS)
(Administered by U.K. Claimed by Argentina)
Isla de los Estados
Strait of Magellan
Cape Horn
Claimed by Argentina and Chile
ISLAS JUAN FERNANDEZ
Isla San Ambrosio
Isla San Félix
Lago Titicaca
La Paz
Arica
Iquique
Tocopilla
Antofagasta
Taltal
Chañaral
Caldera
Huasco
La Serena
Valparaíso
San Antonio
Concepción
Temuco
Valdivia
Osorno
Puerto Montt
Ancud
Castro
Isla de Chiloé
Península de Taitao
Puerto Natales
Punta Arenas
Río Gallegos
Comodoro Rivadavia
Río Deseado
Río Chubut
Río Colorado
Río Negro
Bahía Blanca
Mar del Plata
Buenos Aires
La Plata
Rosario
Santa Fe
Córdoba
Río Salado
Río Paraná
Río Paraguay
Asunción
Río Pilcomayo
Río Bermejo
Río Grande
Río Pilcomayo
Sucre
Santa Cruz
Río Grande
Río Mamoré
Río Beni
Río Madeira
Río Guaporé
Río Itenez
Río Paraguay
Río Paraná
Río Uruguay
Río Iguazú
Río Salado
Río Colorado
Río Negro
Río Chubut
Río Deseado
Río Santa Cruz
Río Gallegos
Río Chico
Río Grande

PEOPLE

About 82% of Chile's population live in urban centers, including the 39% of the total population who live in the Santiago metropolitan area. The largest population group is of Spanish ancestry, but a small, yet influential, number of Irish and English immigrants came to Chile during the colonial era. German immigration began in 1848 and lasted for 90 years; the southern provinces of Valdivia, Llanquihue, and Osorno have a strong German imprint. Other significant immigrant groups are Italian, Yugoslav, French, and Arab. About 400,000 persons of predominantly Indian descent, mostly of the Mapuche tribe, reside in the south-central area around Temuco.

Northern Chile is desert and contains great mineral wealth, primarily copper and nitrates. The relatively small central area dominates the country in terms of population and agricultural resources. This is also the historical center from which Chile expanded until the late 19th century, when it incorporated its northern and southern extremes. Southern Chile is rich in forests and grazing lands and has a string of volcanoes and lakes. The southern extreme of this region is a labyrinth of fjords, inlets, canals, twisting peninsulas, and islands. It also has modest but rapidly declining petroleum resources, supplying only about one-fifth of Chile's domestic crude petroleum requirements during the first half of 1989.

HISTORY

Chile was settled in 1541 by Spanish explorers led by Pedro de Valdivia. Although the Spaniards did not find gold and silver, they recognized the agricultural potential of Chile's central valley, and Chile became part of the Viceroyalty of Peru. Chilean society was heavily influenced by its colonial past, including the *latifundio* system of large landholdings, kinship politics, the Roman Catholic Church, and an aggressive frontier attitude which stemmed from recent Indian wars.

The drive for independence from Spain was precipitated by the usurpation of the Spanish throne by Napoleon's brother Joseph. A national junta in the name of Ferdinand—heir to the deposed king—was formed on September 18, 1810. Spanish attempts to reimpose arbitrary rule during the "Reconquista" led to a prolonged struggle under Chile's most renowned patriot, Bernardo O'Higgins. Chilean independence was formally proclaimed on February 12, 1818.

The political revolution, however brought little social change, and 19th century Chilean society preserved the essence of the stratified colonial social structure. The system of presidential absolutism evolved gradually into one of congressional predominance, but the wealthy landowners continued to control Chile.

Toward the end of the 19th century, Chile consolidated its position in the south by finally pacifying the Mapuche Indians and, in 1881, signed a treaty with Argentina confirming Chilean sovereignty over the Strait of Magellan. As a result of the War of the Pacific against Peru and Bolivia (1879-1883), Chile expanded its territory northward by almost one-third and acquired valuable nitrate deposits, the exploitation of which led to an era of national affluence.

Although Chile established a representative democracy in the early 20th century, it soon became unstable and degenerated into a system protecting the interests of the ruling oligarchy. By the 1920s, the newly emergent middle- and working-classes were powerful enough to elect a reformist president, but his program was frustrated by a conservative Congress. Continuing political and economic instability resulted in the quasi-dictatorial rule of Gen. Carlos Ibanez (1924-32).

When constitutional procedures were restored in 1932, a strong middle-class party, the Radicals, formed. The Radical Party became the key force in coalition governments for the next 20 years. The 1920s saw the emergence of Marxist groups with strong popular roots. During the period of radical dominance (1932-52), the state increased its role in the economy. However, presidents generally were more conservative than the parties supporting them, and conservative political elements continued to exert considerable power through their influence over the economy and control of rural voters.

The 1964 presidential election of Christian Democrat Eduardo Frei by an absolute majority initiated a period of major reform. Under the slogan "Revolution in Liberty," the Frei administration—the first Christian Democratic government in Latin America—embarked on far-reaching social and economic programs, particularly in education, housing, and agrarian reform (including rural unionization of agricultural workers). By 1967, however, Frei was encountering increasing opposition from leftists who alleged his reforms were inadequate and from conservatives who found them excessive. At its term's end, the Frei administration had made noteworthy accomplishments but had not achieved the party's ambitious goals.

The 1970 presidential election was won narrowly by Dr. Salvador Allende, a Marxist and member of Chile's Socialist Party, who headed the "Popular Unity" (UP) coalition of socialists, communists, radicals, and dissident Christian Democrats. His program included the takeover of many of Chile's private industries and banks, massive land expropriation and collectivization, and the nationalization of American interests in Chile's major copper mines.

Elected with only 36% of the vote and by a plurality of 36,000 votes, Allende never enjoyed majority support in the Chilean congress or broadbased support for his policies. By 1973, most domestic production had declined, and severe shortages of consumer goods, food, and manufactured products were widespread. There were mass demonstrations against the government, recurring strikes, violence by both government supporters and opponents, and widespread rural unrest. Chilean society became polarized into two hostile camps.

These factors, plus public censure of the Allende government by the Chilean Congress, judiciary, and comptroller general for many abuses—including violations of the constitution—brought about a military coup on September 11, 1973. The new military regime, led by General

Augusto Pinochet, severely repressed perceived opponents, especially those it believed to be Marxist. The congress was abolished, and all political parties were banned. Thousands of Chileans were imprisoned and later released or expelled from the country. About 700 others disappeared after arrest by the security forces and are presumed dead.

During its 16 years in power, the military moved Chile away from economic statism toward a largely free market economy, fostering an increase in domestic and foreign private investment. The government slowly reinstitutionalized political life after years of repression and permitted broad freedom of assembly, speech, and association, including trade union activity.

General Pinochet was denied another 8-year term as president in a national plebiscite on October 5, 1988. On December 14, 1989, Christian Democrat Patricio Aylwin, running as the candidate of a 17-party coalition, was elected president. In addition, 38 senators and 120 deputies were elected, and nine appointed senators were named in December. The new government and congress took office in March 1990. General Pinochet remained commander-in-chief of the army, as permitted in the 1980 constitution. The commander-in-chief of the air force and the director general of *carabineros* (police) were asked by President Aylwin to remain in their posts. Cabinet ministers are appointed by the president, and regional administrators of the larger cities (*intendants*), provincial governors, mayors, and rectors of the state universities are also appointed by the central government.

GOVERNMENT

The constitution was approved in a September 1980 national plebiscite by a two-thirds majority. It entered into force in March 1981. Following discussions between the minister of interior, the leader of the coalition of parties opposing Pinochet, and the president of the center-right National Renewal Party, a list of amendments to the constitution was submitted to a plebiscite, and endorsed by over 85% of the electorate. Although critics of the 1980 constitution contended the reforms were not sufficiently far-reaching, they eased provisions for amending the constitution; increased the number of elected senators; diminished the role of the national security council and equalized the number of civilian and military members; and shortened the presidential period beginning March 1990 to 4 years, although subsequent presidential terms will be 8 years.

Principal Government Officials

President—Patricio Aylwin
Foreign Affairs—Enrique Silva Cimma
Ambassador to the United States
Patricio Silva Echenique
Ambassador to the Organization of American States (OAS)—
Heraldo Munoz Valenzuela
Ambassador to the United Nations—
Juan Somavia Altamirano

Chile maintains an embassy in the United States at 1732 Massachusetts Avenue NW, Washington, DC 20036. Tel: (202) 785-1746.

The bicameral national congress is composed of 47 senators (38 elected members and nine designated ones) and 120 deputies. Senators serve for 8 years, with staggered terms. Deputies are elected for 4 years. The new congress took office on March 11, 1990. Current law provides for the location of the new congress in the port city of Valparaiso, about 140 kilometers (84 mi.) west of the capital, Santiago.

Chile's congressional elections are governed by a unique binominal majority system in which political parties or groupings form pacts and permit slates (two candidates per slate), from which two senators and two deputies are elected from each district. To determine the winner under this system, a total vote count is made for each individual candidate as well as for each party list. If a leading pact or list receives more than double the vote of the second place list, it wins both seats in that particular district. If the top list's vote is equal or less than double that of the runner-up list, then the leading candidate from each party in the top two lists is elected.

The political parties with the largest representation in the Chilean Congress are the center-left Christian Democrat Party followed by the center-right National Renewal Party. No communists were elected in either chamber. The center-left coalition supporting President Alywin captured about 60% of the elected seats in both the Senate and the Chamber of Deputies. However, with nine designated senators, the center-right has a 25-22 advantage in the Senate.

ECONOMY

Chile is rich in natural and human resources. Over much of Chile's history, this resource base had provided a life of relative luxury for the nation's elites but little for the rest of the population. During the last several decades, a politically active middle class has emerged. This new class demanded a reexamination of how the nation's wealth is managed and shared. From 1925 to 1973, Chile experimented with various economic philosophies, but the general trend was toward increasing state intervention in the economy and protecting or isolating the Chilean economy from outside competition. From the early 1930s to the late 1950s, real per capita income was almost stagnant. For a few years in the 1960s, higher growth was achieved. (Copper prices were high during 1964-74, which boosted the economy.) In 1970-73, the Allende regime experimented with consumption-oriented state socialism. This produced enormous fiscal deficits fed in part by large consumer subsidies and financed by explosive money growth. By 1973, real per capita gross domestic product (GDP) and real wages had fallen well below the levels of 1970; agricultural production had dropped to the level of the early 1960s; monthly inflation had reached an annual rate above 1,000%; the central government deficit expanded to 20% of GDP; the black market exchange rate rose to more than 10 times the official rate; and net international reserves were negative.

In mid-1975, in the face of a severe international recession, sharply lower copper prices, quadrupling of oil prices, and lingering damage from Allende's policies, Chile turned to a set of monetarist policies directed by the "Chicago Boys," a group of young economists trained at the University of

Chicago. The key objectives of their program were to eliminate inflation and to allow market forces greater sway. Tariffs were reduced, foreign investment was welcomed, and capital controls were liberalized. Hundreds of nationalized companies were sold to the private sector, although the government retained control of certain companies, notably the large copper mining and refining enterprise CODELCO. Most markets were freed from government controls, and prices were allowed to seek their own levels.

Under these policies, from 1976-81, GDP increased in real terms by an annual average of over 7% annually, inflation declined dramatically, and significant improvements were registered in the general health and welfare of the people. By mid-1981, however, Chile began to suffer the effects of the economic slowdown of its major trading partners. Prices for Chile's exports, such as copper, forest products, and fishmeal, declined sharply. In addition, a fixed peso/dollar exchange rate seriously eroded the competitiveness of Chilean products. The exchange rate and mandatory wage indexation overpriced Chilean exports in the world market. To compensate for a lack of competitiveness, Chile borrowed heavily from foreign banks and multilateral financial institutions. In 1982, in part because of events elsewhere, foreign banks stopped lending, creating a serious liquidity shortage. Domestic interest rates rose quickly.

By mid-1982, in the face of a serious decline in domestic production, a sharp rise in unemployment, increasing bankruptcies, and financial deterioration, the Chilean government devalued the peso. In the ensuing recession, GDP fell by 14.1% in 1982. The government temporarily took over several large banks with serious economic difficulties, renegotiated the large foreign debt coming due in 1983-84, and supported the renegotiation of domestic bank loans. In early 1983, Chile agreed to a 2-year International Monetary Fund (IMF) macroeconomic austerity program to begin in early 1983. As a result of the IMF measures, the economy declined by 0.7% in 1983. In 1984, however, the economy grew 6.3%. Continuing foreign exchange shortages limited growth to 2.4% in 1985, but in 1986, 1987, and 1988 it recovered to 5.7%, 5.4%, and 7.4% respectively.

In 1988 and 1989, the Pinochet government broke with its austerity program and pursued a set of policies designed to boost economic activity before the 1988 plebiscite and subsequent election in 1989. Growth soared in 1989 to 10%. Inflation nearly doubled to 21.4%, and imports jumped 30%. Although these expansive policies complicated subsequent adjustment efforts, Chile's economy remains fundamentally sound.

Under the IMF macroeconomic program for 1985-88, Chile continued to achieve strong economic growth while skillfully managing its large external debt-servicing burden. Good performance under the IMF program has assured private commercial lenders that Chile will continue to follow rational economic policies. Long-term prospects for the Chilean economy are heavily influenced by Chile's large external debt ($18 billion as of June 1989) and the low but increasing level of domestic savings and investment. The innovative use of debt for equity swaps has reduced the public sector's medium- to long-term debt with private international banks from $14 billion in 1985 to about $5 billion in June 1990.

At the very end of the Pinochet government, Chile took a major step towards establishing a modern banking system. In a unique agreement between the military junta and the political opposition, the central bank became an autonomous institution. The Pinochet government and the political opposition each named two of the five members of the board of governors. The president of the central bank was chosen as a mutually agreed upon neutral. The central bank is now independent of the rest of government, but its leadership has worked closely with the government of Chile to coordinate policies.

Agriculture

Since the 1982 devaluation, the Chilean agricultural sector experienced a major expansion. Fruit production, in particular, grew 68% over the last 6 years and became a principal foreign exchange earner—$0.8 billion—in 1989, 166% more than in 1983.

The United States is Chile's main agricultural trading partner. In 1989, the United States bought 47% of Chile's agricultural exports, mostly fruit, while providing 34% of the country's imports. Wheat was Chile's principal agricultural import from the United States, although sales have declined substantially due to Chile's growing self-sufficiency in domestic production.

Most farming occurs in the 1,127 kilometer (700 mi) stretch of central Chile extending from just north of Santiago to Puerto Montt in the south. Chile's agricultural land is only 30% of its territory as compared to the United States, where 76% of the land is fit for agricultural uses. Wheat, corn, grapes (wine and table varieties), beans, sugar beets, and fruits are the major crops. Crop yields tend to be higher than in most Latin American countries. Livestock production consists primarily of beef and poultry; beef is pasture fed, and poultry production is much the same as in the United States. Chile is now a net agricultural exporter but will continue to import tropical products. Chilean agricultural exports consist principally of fresh and processed fruits, pulses, vegetables, wine, and wool. Exports of these products are growing and will help promote an agricultural trade balance.

Minerals and Mining

Although mining accounts for only 7.6% of GDP, mineral products accounted for 55.4% of the country's merchandise exports in 1989. Despite the growth of non-copper exports, copper as a percentage of total export earnings has remained roughly the same because of growing production and higher prices. In 1989, copper exports reached a record $4 billion, accounting for almost 50% of total exports. Chile is the world's largest producer and exporter of copper, with reserves estimated at about 20% of the world total. Most of the ore is processed into refined or blister copper before export, with the remainder being exported in the form of copper concentrate. The country's largest copper producer is the state-owned CODELCO, which produces about 1.2 million metric tons of copper annually.

Chile also exports important quantities of gold, silver, iron ore, molybdenum, natural nitrate, and iodine, and is a growing producer of strategic materials such as rhenium, lithium, selenium, tellurium, and vanadium.

Chile mines bituminous coal in the Gulf of Arauco region, south of Concepcion, in the area around Valdivia and in the area north of the Strait of Magellan, where modern, low-cost, open-pit mining techniques are applicable. Because of declining petroleum production and an increasing dependence on imported petroleum, coal is expected to play a greater role in meeting Chile's energy needs in future years.

All of Chile's domestic petroleum production comes from the Strait of Magellan and the island of Tierra del Fuego at the southern tip of the country. The state-owned petroleum company, ENAP, is the country's only producer of crude petroleum and natural gas. Because of resource depletion and growing domestic consumption, petroleum production fell to about one-fifth of domestic crude petroleum consumption during 1989, down two-fifths from 1982. Barring unexpected discoveries, Chile's crude petroleum imports, currently running at $600 million per year, will increase.

Industry

Most of Chile's industrial infrastructure was built during the 1930s and 1940s in an effort to replace imported consumer goods, which were in short supply. Manufacturing grew under the protection of high tariffs, and no effort was made to enter into international competition for markets. As a result, much of Chilean industry was inefficient. After 1973, when tariff reductions exposed the Chilean economy to foreign competition, the manufacturing sector was one of the most seriously affected. Fixing the peso to the dollar from 1979 to 1982 hurt manufacturing even more. During the 1982-83 recession, capacity utilization fell dramatically, and many industries collapsed.

With the adoption of a more realistic exchange rate in 1984-85, the manufacturing sector has been one of the engines leading Chile's export growth. At the same time, efficient domestic industries have replaced imports, boosting employment in the manufacturing sector. Manufacturing output as a share of GDP has started to increase again from a low of 19% in 1982 to over 21% in 1989.

DEFENSE

The armed forces are subject to civilian control, exercised by the president through his minister of defense. However, each service is headed by a commander-in-chief.

Army: 55,000 troops under Gen. Augusto Pinochet. The army is organized into six divisions and one separate brigade. There is an air wing.

Navy: Adm. Jorge Martinez Busch directs the 29,000 person navy. The Chilean marine corps, with a strength of 5,200, is an arm of the navy. The Chilean fleet of 11 surface combatants and 4 submarines is based in Valparaiso. The navy operates its own aircraft.

Air Force: Air General Fernando Matthei Aubel heads the air force of 12,000. Air assets are distributed among four air brigades headquartered in Iquique, Santiago, Puerto Montt, and Punta Arenas. The Air Force also operates an air base on King George Island, Antarctica.

After the military coup in September 1973, the Chilean national police, or *carabineros*, were incorporated into the ministry of defense. The *carabineros* are lead by General Stange, who directs a paramilitary force of 27,000 engaged in law enforcement, traffic management, narcotics suppression, border control, and counter-terrorist activities. The *carabineros* maintain operational units in over 1,000 locations throughout Chile.

FOREIGN RELATIONS

The Chilean government maintains diplomatic relations with more than 70 countries. When the military regime came to power in 1973, the communist countries, except for China and Romania, broke diplomatic relations. Mexico and Italy also severed relations with Chile. In the final months of the military regime, Italy re-established relations; following the inauguration of the Aylwin government, the Soviet Union, several Eastern and Central European countries, and Mexico re-established relations.

Relations with Argentina were strained by a boundary dispute at the southern tip of the continent until 1985 when a peaceful settlement was reached with Papal mediation. The loss of territory by Peru and Bolivia to Chile during the War of the Pacific (1879-83) continues to influence national attitudes and policies. Bolivia continues to seek an outlet to the sea and broke relations with Chile in 1978, following a breakdown of negotiations. By treaty, any Bolivian-Chilean agreement involving former Peruvian territory also would require Peru's agreement.

US-CHILEAN RELATIONS

Despite some improvement in the later years of the Pinochet regime, the full normalization of US-Chilean relations had been affected by continuing human rights problems, including the right of citizens to change their government. The 1976 car-bomb assassination in Washington, DC of Orlando Letelier, a former Chilean ambassador to the

Principal US Officials

Ambassador—Charles A. Gillespie, Jr.
Deputy Chief of Mission—
David N. Greenlee
Public Affairs Counselor—
James T. L. Dandridge, II
Political Counselor—
Ronald D. Godard
Economic Counselor—Glen R. Rase
Administrative Counselor—
Daniel A. Johnson
Consul General—Laurence M. Kerr
Commercial Counselor—
Ricardo Villalobos
Defense Attache—
Capt. Thomas H. Smith, USN
Agricultural Attache—Robert H. Curtis
Labor Attache—Nancy M. Mason
AID Representative—Paul W. Fritz

The US embassy in Santiago is located at Agustinas 1343 (tel. 71-01-33). The consulate is at Merced 230 (tel. 71-01-33). The mailing address for both is Casilla 27-D, Santiago, Chile. Address for US mail is APO Miami 34033. TELEX No. 240062 USA CI. FAX No. (562) 699-1141.

United States and a member of President Allende's cabinet, and Ronni Moffitt, a US citizen, caused a sharp deterioration in relations and led the US Congress to ban security assistance and arms sales to Chile. In 1981, Congress made future assistance contingent on a determination by the President that:

- Chile has made significant progress toward internationally recognized principles of human rights;
- Chile is not aiding or abetting international terrorism;
- Certification is in the national interest; and
- Chile has taken appropriate steps to cooperate to bring to justice by all legal means available in the United States or Chile those indicted by a US grand jury in connection with the Letelier and Moffitt murders.

In 1979, the Chilean supreme court denied extradition for three Chilean ex-intelligence officials under US indictment in the Letelier/Moffitt case. The United States continues to press for justice, and prospects for resolution of the case are promising under the democratically-elected government inaugurated in March 1990, which seeks to transfer prosecution of the case in Chile from the military to the civilian court system.

Meanwhile, the two governments signed a compensation agreement in June 1990 for the Letelier and Moffitt families. The agreement, which must be approved by the Chilean congress, establishes an international commission to determine the size of the *ex gratia* payment.

In 1987, Chile was excluded from the Generalized System of Preferences (GSP) and suspended from the Overseas Private Investment Corporation (OPIC) program for its failure to observe international standards of worker's rights. With the restoration of democracy, the government of Chile petitioned to restore those policies. OPIC benefits were restored in October 1990.

Travel Notes

Customs: A valid passport and a tourist card (issued by the carrier) are required for entry. Requirements for entry and exit by car are numerous, and obtaining necessary documents can be time-consuming.

Climate and clothing: Seasons are the reverse of those in the US. It seldom rains in summer (Dec.-Mar.), and humidity is low. Middays reach 32 C (90 F); nights are cool. Winter (June-Sept.) is cold and rainy, with snow in the surrounding mountains. Sweaters and woolens are recommended April-Nov. A topcoat or lined raincoat is useful in winter.

Health: Conditions are good in Santiago, except for prevalent smog. Allergic conditions, especially those respiratory related, will worsen in the city, particularly during the winter season. Tapwater is generally potable except after occasional winter floods. It has a high mineral content which affects some, so it is recommended to accustom the body to the tap water by drinking the easily accessible bottled water initially, and slowly increase the intake of tap water over a 2-week period. Do not eat unwashed fruits and vegetables. Although no immunizations are required for travel to Chile, typhoid, gamma globulin, and current tetanus-diphtheria toxoid vaccines are recommended.

Telecommunications: The telephone system in Santiago and elsewhere is excellent. International telephone and wire services are good.

Transportation: Flights from the US take 8-10 hours. Overland travel by car or bus from neighboring countries is possible, although winter snows may close the main mountain pass from Argentina for weeks. The only regular US passenger shipping line is Lykes Line, with embarkation from the ports of Houston and New Orleans. Taxi and bus service in Santiago is good, and fares are reasonable.

Tourist attractions: Beautiful beaches are located within a 2-4 hour drive from Santiago. Some, however, are dangerous because of strong undertows and lack of lifeguards. Because of the cold water, sunbathing is more popular than swimming at most beaches. Other popular summer resorts are found in the lake region, about 500 miles south of Santiago. Known as the "Switzerland of South America," this area offers excellent trout fishing and some of the most magnificent scenery on the continent. Other summer activities include boat trips through the channels and fjords of the south, from Puerto Montt to Punta Arenas on the Strait of Magellan at the tip of the continent, and an excursion to the Juan Fernandez Islands, 400 miles off the coast at Valparaiso.

The northern desert offers isolated beaches, access to the Andean highland Indian culture, and numerous but hard to reach archaeological sites. The museum at San Pedro de Atacama is famous for its pre-Columbian mummies and artifacts. In the Central Region, Chile's world famous mountain resorts offer first-class skiing during the Northern Hemisphere summer.

The US government supported and welcomed the return of democracy to Chile and has been actively working with the new government to remove remaining legal impediments to a full bilateral relationship. The US Agency for International Development (AID) mission in Chile was formally closed in May 1981. However, in August 1988, a small AID office was re-established in Chile as part of AID's new advanced developing country program. The United States maintains a bilateral food assistance program which provides dietary supplements to the children of low income families. This program operates through both official and private voluntary agencies. The US Export-Import Bank helps finance US exports to Chile. ■

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